

Alabama Power Company

A Century of Service

CHARLES D. MCCRARY



A Newcomen Address



THE NEWCOMEN SOCIETY OF THE UNITED STATES is a tax-exempt, educational foundation founded in 1923 for the study and recognition of achievement in American business and the society it serves. The Society's headquarters are located in Exton, Pennsylvania, 30 miles west of Center City, Philadelphia. National membership is comprised of many of the nation's top leaders in business, industry, education, the professions, government and the military.

The purposes of The Newcomen Society are to:

- Preserve, protect and promote the American free enterprise system.
- Honor corporate entities and other organizations which contribute to or are examples of success attained under free enterprise, and to recognize contributions to that system.
- Publish and record the histories and achievements of such enterprises and organizations.
- Encourage and stimulate original research and writing in the field of business history through a program of academic awards, grants and fellowships.

The Society's name perpetuates the life and work of Thomas Newcomen (1663-1729), the British pioneer whose invention of the atmospheric steam engine in 1712 led to the first practical use of such a device to lift water out of mines. The resulting tremendous increase in mine productivity (the engine replaced the work of 50 mules and 20 men working around the clock) facilitated the birth of the industrial revolution. Indeed, Newcomen is frequently referred to as the "father of the industrial revolution"—its first entrepreneur. The Newcomen engines remained in use from 1712 to 1775, and helped pave the way for advancements 50 years later by the world-famous James Watt of Scotland, whose innovations led to widespread use of steam power in factories and in transportation.

Since its founding, The Newcomen Society has honored more than 2,500 organizations and institutions. The Society publishes the histories of the organizations it recognizes, usually following luncheons or dinners hosted by one of many volunteer committees organized throughout the U.S. These histories are distributed to Society members, as well as 3,300 public and private libraries for permanent archival storage in the support of the study of business history.

Newcomen Society Honorees are selected by the Board of Trustees from nominations received from the volunteer committees. Meetings are held each year in all parts of the country. Members and their guests, as well as guests of the Honorees, are invited to attend these historic events.

The Society maintains several awards in the field of business history: the Newcomen-Harvard Postdoctoral Fellowship, the Newcomen-Harvard Book Award and Article Awards in Business History, the Dissertation Fellowship in Business and American Culture, and the Newcomen Prize awarded by the Business History Conference.



“We will base our policies on sound science and continue to strike the balance that allows us to meet or surpass environmental standards while providing our customers with affordable, reliable electricity.”

— CHARLES D. MCCRARY



This address, dealing with the history of Alabama Power Company, was delivered at a “2006 Alabama Meeting” of The Newcomen Society of the United States held in Birmingham, Alabama, when Alabama Power Company’s President and Chief Executive Officer, Charles D. McCrary, was guest of honor and speaker, on November 8th, 2006.

Alabama Power Company

A Century of Service

CHARLES D. MCCRARY

PRESIDENT & CHIEF EXECUTIVE OFFICER
ALABAMA POWER COMPANY
BIRMINGHAM, ALABAMA



THE NEWCOMEN SOCIETY OF THE UNITED STATES
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INTRODUCTION OF MR. CHARLES MCCRARY, ON NOVEMBER
8TH, 2006, BY MR. JOSEPH M. FARLEY, FORMER PRESIDENT
AND CHIEF EXECUTIVE OFFICER, ALABAMA POWER COMPANY.

THANK YOU, Billy Rushton, for your introduction, and thank you also for the great work you have done for the Newcomen Society and, particularly, for Newcomen here in Birmingham over many years. It is fitting that, in presiding over this meeting tonight, you are a part of Alabama Power's history because of your long service on Alabama Power's Board of Directors and the Board of the Southern Company. You were a director during some tough times, and I and all the people of Alabama Power are grateful to you.



JOSEPH M. FARLEY
FORMER PRESIDENT AND CHIEF EXECUTIVE OFFICER
ALABAMA POWER COMPANY

Our speaker tonight is extremely qualified to speak on the subject of Alabama Power. His parents, Sara and Doug McCrary have been longtime friends of mine and a part of the history of the Company. I first met Doug more than fifty years ago when he was in Alabama Power's Engineering Department and I was a young lawyer. Charles was a child at the time. Doug later became head of Alabama Power's Construction Department, then a senior officer at Southern Company Services, and later, president of Gulf Power.

Our speaker was educated at Shades Valley High School in Birmingham and attended Auburn University, where he obtained a degree in mechanical engineering. He later earned a law degree from the Birmingham School of Law. Charles's first job with Alabama Power was in Environmental Affairs, taking water samples in the reservoirs. At that time, Charles worked for my brother, who was impressed with Charles's work ethic and sharp mind. Later Charles came to head Environmental Affairs at Alabama Power; and I became aware of his leadership and capability as the Company was facing the initial challenges of the Clean Water Act and later environmental issues. As a relatively junior department manager, Charles would not be bullied and would stand his ground for doing what he felt was the correct and appropriate course. A few years later, I had the opportunity to work closely with Charles when he became the assistant to the President. During the next three or four years, Charles worked directly or very closely with me, and I found not only a capable assistant but a trusted friend who was easy to work with and who loved Alabama Power. Charles understood the culture of the Company, appreciated the value of each and every employee, and had the utmost respect for the customer.

A part of my job was to be in Washington and Montgomery on occasions and to testify from time to time before committees. Charles was helpful and a strong right hand whose judgment about situations and people was impeccable.

When we came to a study of whether to have a nuclear operating company, Charles was assigned to be in on the Study Committee. The end result was that, after Southern Nuclear was

put together, Charles was selected to be the vice president of administration for the new company, and I lost my assistant. When I went to Southern Nuclear myself, he was there, and we had another year of working closely together in a different environment, but one which required the same understanding of employees, shareholders and customers.

After that, Charles moved back to Alabama Power and served in several capacities, including executive vice president of External Affairs, where he became the frontline in relationships with the government and regulatory agencies, as well as with the public. He was then elected head of Southern Company Generation, and from that vantage point oversaw the whole system's generation and the challenges of the wholesale market for electricity.

There was no doubt in my mind that he was qualified in every respect for the job to which the Board of Directors of Alabama Power elected him in 2001. In his first twelve months as president and CEO of Alabama Power, Charles faced challenges most people would never face in an entire career. Alabama Power suffered its worst financial year in more than two decades as the state's economy declined and temperatures in the state were mild during both the winter and summer. At the same time, it was more important than ever for the company to meet the goals it had furnished to Wall Street and its investors. Corporate America in general, and the power sector in particular, faced increased scrutiny and distrust in the wake of the Enron scandal and that company's collapse. As if those problems were not enough, Alabama Power, like all Americans, faced uncharted territory and an uncertain future following the September 11th tragedy.

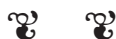
These challenges may have been more than daunting, but Charles McCrary faced and managed them as he had others throughout his career—with strong leadership that inspired confidence, unshakeable integrity and an uncanny ability to keep his eye on the big picture without ever losing sight of even the smallest details.

Charles has spent his entire career with Southern Company or Alabama Power in some capacity, but he found time to marry

Phyllis, which was doubtless a major factor in the successful career that followed. He and Phyllis have two sons, Doug and Alex, who are now “out of the nest” and well on their way to successful careers.

Charles has also filled important leadership roles in our state. He is now a trustee of Auburn University and serves as Chairman of the Board of The Children’s Hospital of Alabama. Recently in a speech to the Kiwanis Club of Birmingham, he forcefully raised the issue of the need for leaders of our largest population center in the state to cooperate and work together for the good of the community.

For me, as a retiree, who has to be concerned as a shareholder and pensioner, I can only say that I have never been more comfortable with the leadership of Alabama Power. Charles understands all sides of the business and is truly a member of the Alabama Power family. It is my pleasure to introduce him to you tonight. CHARLES D. McCrary, President and CEO of Alabama Power Company.



Members of The Newcomen Society and guests:

FOR the Newcomen Society to recognize Alabama Power again this time on the company's 100th anniversary—is a great honor. It is an even greater personal honor for me to respond on behalf of my colleagues and our customers, for it is only through the loyalty of both that a company can reach the century mark.

These have been an amazing one hundred years, for Alabama Power and for Alabama. Our growth has mirrored—and, I hope, helped lead—our state's growth.



CHARLES D. MCCRARY
PRESIDENT AND CHIEF EXECUTIVE OFFICER
ALABAMA POWER COMPANY

In 1915, only 9 years after our founding, Alabama Power served 5,305 customers in 18 communities, employed 350 people with an annual payroll of \$312,734, and operated plants valued at \$10 million.

Today, 100 years after our founding, we serve 1.4 million customers in 59 counties, employ more than 6,700 people, with an annual payroll of \$473 million, operate plants valued at more than \$8.24 billion, and we are one of the largest taxpayers in the state.

Today, we serve more than 80 hospitals, 160 nursing homes, more than 50 colleges, junior colleges and graduate schools, 1,063 elementary, vocational and high schools, 835 fire departments and 180 police stations and sheriffs offices.

That is an enormous responsibility—twenty-four hours a day, seven days a week, in whatever weather Mother Nature brings—and we take it very seriously, as we have for one hundred years.

But more important than celebrating just a one-hundredth anniversary—rare as that has come to be in our ever-changing world—or the growth we have experienced, is to look at these last one hundred years and ask the questions, “How are we able to meet that ever-growing demand? And keep our prices reasonable, at least 15 percent below the national average? And reduce our environmental impact, cutting our sulfur dioxide and nitrogen oxide emissions per kilowatt-hour by 41 percent and 57 percent, respectively, over the last fifteen years?”

“How have we done it and how well have we done it? What challenges have we faced? What does our past tell us about the future?” This occasion is about a lot more than celebration. It is really about a critical examination of the past—distant and recent—as a window onto the future.

In front of the Newcomen Society tonight, I, as CEO of Alabama Power, stand where two giants have stood.

Thomas W. Martin, one of Alabama Power’s founding fathers and a man considered by many to be the most significant business and civic leader of twentieth-century Alabama, spoke to this group on at least six occasions, concentrating mainly on

Alabama Power's history to 1951. In 1988, another one of the company's great leaders—and one of my personal mentors—Joseph M. Farley spoke of the company's history, concentrating on the years between 1952 and 1988.

My intention tonight is not to recount in detail the years Martin and Farley covered in their talks. However, as I reviewed their remarks in preparation for my own presentation, I was reminded of an observation made by American historian Allan Nevins. Nevins noted that when we think of history, we should not just think of the past, “for history is actually a bridge connecting the past with the present, and pointing the road to the future.”

That is certainly the case at Alabama Power. It is impossible to fully understand significant events in our company's history unless you are first familiar with the foundation upon which our company was built and the path it has traveled. Our history truly has given us a road map for the future. Virtually every basic challenge or obstacle we have encountered in the current generation was faced and successfully managed by our predecessors.

On occasions such as a centennial it is tempting to focus only on the good—the bright spots, the success stories. But, in many ways, it is the tough times—the difficulties overcome—that make Alabama Power the company it is today. As Joe Farley noted in 1988, “corporations, like people, develop through their lives a personality and indeed a character that explains much about their actions.”

Looking for a bright spot during a crisis, someone often remarks, “well, at least crises build character.” It has been my observation that what crises really do is reveal character. And a great deal about the character of Alabama Power—and Alabama—is revealed through the crises we have faced.

If people often show their true character when their backs are against the wall, it is difficult to imagine anyone with his back more against the wall than a riverboat captain named William Patrick Lay, who incorporated Alabama Power Company on

December 4, 1906. To fully understand Lay's challenge, consider these facts:

If you lived in Alabama in 1906, there was almost a 90-percent chance that you lived in a rural area and had no electricity.

If you lived in the city, there might be limited electricity for things like streetlights. Of course, the streetlights operated on a "moonlight schedule." If the moon was shining, the lights were not on.

If you were lucky, you might have electricity in your home from whenever the sun went down until about 11 P.M. when the lights would "wink twice" before the current was turned off for the night.

But most people lived and worked on the farm, simply because there was very little industry in the state, which meant there were not many salaried jobs off the farm.



CAPTAIN WILLIAM PATRICK LAY, CA. 1895.

Industrial growth depended upon having a reliable source of electricity. The few iron and textile mills that made up Alabama's limited industry had their own generators or were close to falling water and built their own low dams. If the generator went out, or if it did not rain for a while, they were in the dark and out of work.

As a third-generation riverboat captain, Lay knew the state's rivers better than most and understood that they could be harnessed through a series of hydroelectric dams to produce a more reliable source of electricity. As a successful businessman in Gadsden, Lay also understood that in addition to making people's lives easier, reliable electricity would attract new business and industry, which would mean more jobs and an improvement in the overall quality of life in the state.

Lay directed a successful lobbying effort to secure congressional approval for Alabama Power to build a hydroelectric dam at the U.S. Corps of Engineers' Lock 12 site on the Coosa River. Studies were made, plans were drawn, land was cleared and roads to the site were built, but Lay was unable to find financing for the project. No one in Alabama had that kind of investment capital, and no one on Wall Street wanted to invest in building an electric utility company in a state in which almost 90 percent of the people did not use electricity.

Facing economic reality, Lay sold Alabama Power in 1911, before the first dam was built or kilowatt of electricity was sold. And yet, Lay's influence has been felt at Alabama Power for a century. You see, ours is a history of overcoming the odds, of adapting when the rules or conditions change, of being successful even when faced with the opposition or indifference of others. Ours is a culture and character that began with William Patrick Lay. He may not have built a dam, but he instilled a belief that continues to this day—Alabama Power Company is not just here to generate and sell electricity. We are here to make Alabama a better place for everyone to live, work and do business.

Lay realized his dream of bringing electricity to Alabama could be accomplished only by turning over his interests to someone who shared his vision and was able to secure financing.



JAMES MITCHELL, CA. 1900.

He found that person in James Mitchell, a Canadian-born, Massachusetts-raised engineer who had spent many years in Brazil building an electrical system and a hydroelectric dam with the backing of British investors.

Mitchell arrived in Alabama in 1911 and, after visiting the Cherokee Bluffs site on the Tallapoosa River near Dadeville, he declared it the best dam site he had ever seen. After studying maps of the state and its rivers, Mitchell envisioned an interconnected electrical system for Alabama and drew up a plan to combine several of the state's power companies that owned potential sites for dams but were inactive because of a lack of capital.

Mitchell enlisted the help of a young Montgomery attorney, Thomas W. Martin, who was familiar with Alabama and federal laws on dam construction on navigable and non-navigable rivers. Mitchell formed a Canadian holding company, Alabama Traction,



THOMAS MARTIN, CA. 1920.

Power & Light, to facilitate his financing. With backing from a London investment firm, Sperling & Company, Mitchell purchased several Alabama companies, including Lay's Alabama Power Company, and began construction of the Coosa River dam, which was later named Lay Dam. In the next years, Mitchell folded the other Alabama assets he acquired into Alabama Power Company.

When Lay turned the company over to Mitchell in 1911, he did so with these words: "I now commit to you the good name and destiny of Alabama Power. May it be developed for the service of Alabama." Almost immediately, Mitchell demonstrated he had taken Lay's words to heart.

From the beginning, the company worked hard to attract new industrial customers to Alabama. In 1912, Mitchell issued a statement to the Baltimore-based commercial journal, *Manufacturers Record*, that his company was committed to the

economic development and progress of the state. As early as 1913, the company established a Commercial and New Business Division. By 1922, Martin had officially formed a new industries division, the first economic development office at an electric-utility company. For decades, Alabama Power's industrial recruitment program was the only one in the state, fulfilling Lay's vision that the company "be developed for the service of Alabama." For a century, the people of Alabama Power, from its leaders to its line crews, have followed this commitment.

Unfortunately, Mitchell soon felt financial pressures of his own. When the Balkan Wars in 1913 cut off money coming from England, Mitchell invested his own money in his Alabama projects, but still there were times when the company was hard pressed for cash. Alabama Power was also criticized for being "foreign-owned" because of its English investors and Mitchell's Canadian birth. Critics ignored the fact that, very early on,



ALABAMA POWER'S FIRST DAM, WILLIAM PATRICK LAY DAM AT LOCK 12 SITE ON THE COOSA RIVER, CONSTRUCTED IN 1913.

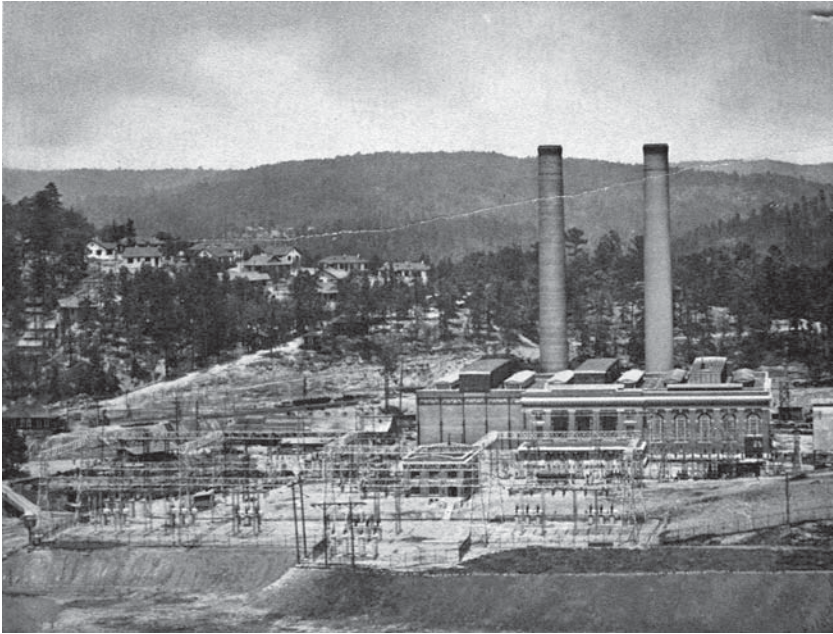


GADSDEN STEAM PLANT, FEB. 14, 1914.
THE NEWLY COMPLETED PLANT ALONG WITH THE JACKSON SHOALS
HYDRO PLANT ON CHOCCOLOCCO CREEK SUPPLIED THE NEW UTILITY
WITH ITS FIRST ELECTRIC POWER.

Alabama Power employees were going door to door selling stock in the company, and even selling stock from parade floats.

Only the very rich made investments at the time, but Mitchell and Martin felt it was important for the people of Alabama to have ownership in Alabama Power. The company stock was listed at a price that made Alabama Power one of the few investments average citizens could make.

The beginning of World War I in Europe increased the demand for electricity in Alabama as iron, steel and textiles were needed by France and Great Britain. The war also marked the beginning of a controversy that would last for decades. Mitchell's holding company owned the Muscle Shoals Hydro-Electric



WARRIOR RESERVE (GORGAS) STEAM PLANT SHOWING THE ORIGINAL UNIT
AND THE U.S. GOVERNMENT UNIT, SEPTEMBER 1923.

Company and its prime dam site on the Tennessee River. The federal government was concerned because the United States had no domestic source of nitrates and threatened a takeover of the dam site to ensure a supply of cheap electricity to manufacture atmospheric nitrates for explosives.

Facing the loss of his property with inadequate and unfair compensation, Mitchell elected to donate the site to the government for one dollar. Alabama Power was proud of this patriotic gesture and years later ran a story about it in the company newsletter, complete with a picture of the government's one-dollar check, which we had never cashed. We should have known there was trouble ahead when the government fined the company \$500 for reproducing a federal document. For the record, the government did cash our check.

The construction of Wilson Dam at that site ushered in almost two decades of controversy. Alabama Power was thrust into

congressional debates, presidential elections and national political controversies in ways no other investor-owned electric company in the nation experienced.

In 1933, the Tennessee Valley Authority, part of Franklin Roosevelt's New Deal, took over Wilson Dam and eventually acquired a second Alabama Power site, where it built Wheeler Dam. TVA initiated sales of government-subsidized and tax-exempt power that eventually caused Alabama Power to lose its strong and profitable Northern Division, an area the company had served since 1912.

When people ask me today why Alabama Power is so involved in regulatory and governmental affairs, I refer to those early days. We learned the hard way what can happen if one fails to have the customers' side of the issues heard, understood and championed.

Tom Martin, who took over the presidency of Alabama Power after Mitchell died in 1920, led the company through the TVA challenges and, prior to that, other tremendous losses and gains. In 1920, Alabama Power made interconnections with power companies in Georgia, allowing electricity to flow back and forth from Alabama to the Carolinas. By 1924, Martin incorporated a new holding company, Southeastern Power & Light, and expanded its operating area by creating Mississippi Power, Georgia Power, Gulf Power and South Carolina Power.

The 1920s saw an explosive growth in the use of electrical appliances—refrigerators, ranges, washing machines, radios and motors that could pump well-water into houses—resulting in an increased demand for electricity. As stock speculation, much of it in utility issues, drove the market upward, Martin lost control of his holding company to Commonwealth & Southern, a giant holding company backed by J. P. Morgan. Although Martin was made president of C&S, the company and its policies were controlled by Morgan associates.

Following the New York stock market crash in October 1929, the Great Depression began. Martin led Alabama Power through a stressful period of economic stagnation and decreased electrical load. With the beginning of World War II in Europe in 1939, the federal government and private industry began investing

what eventually became a billion dollars in Alabama to fund defense industries and military bases, all of which needed electricity.

At the war's end in 1945, Alabama Power was deeply committed to the conversion of defense plants to peacetime productivity. Meanwhile, Martin was leading the fight to see that the dismemberment of Commonwealth & Southern, required by the provisions of the Public Utility Holding Company Act of 1935, resulted in a totally southern company.

Martin wanted a southern board of directors, with a southern services company and with headquarters in the South. The creation of the Southern Company, which held ownership of Alabama Power, Mississippi Power, Georgia Power and Gulf Power, was achieved by 1947.

Martin's death on December 8, 1964, at the age of eighty-three, closed an era in the company's history. Although he had given up the presidency in 1949 to James M. Barry, who was followed by Lewis M. Smith and then Walter Bouldin, Martin retained control of the company as chairman of the board until the year before his death. Bouldin was succeeded in 1969 by Joe Farley, who spent twenty years as president of Alabama Power.

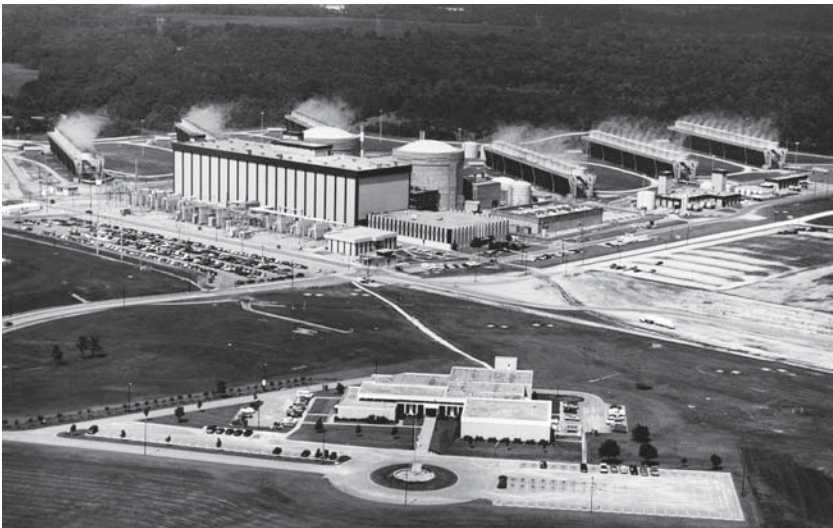
The year before Farley took executive leadership marked the beginning of another challenging era for Alabama Power. In 1968, the company requested a general rate increase for the first time in its history. Stagflation, high interest rates, escalating construction costs of the company's first nuclear plant and higher costs for fuel, especially coal, countered the economies of scale that for half a century had allowed the price of electricity to keep decreasing. Demagogues, who had previously used race to rouse the people, now turned to rates and attacked Alabama Power Company.

Farley defended the company before the Alabama Public Service Commission and in the public arena for fourteen years and struggled to keep Alabama Power moving forward as it faced the threat of bankruptcy. There was a time in the '70s when a conference room table at corporate headquarters was filled with stacks of unpaid bills. We did not have the money to pay them—

and we could not get a rate increase. We could not get a rate increase because politicians were attacking us on a regular basis and it seemed that people were blaming us for anything that was wrong in the state.

If you talk to anyone who worked at Alabama Power in the '70s, they will tell you they did not let people know they worked at the company. If they wrote a check at a store and the cashier asked where they worked, they would whisper "Alabama Power." People would verbally attack you if they found out you worked at Alabama Power. We were under siege by many a politician for many a year.

In 1982, the Alabama Supreme Court supported a mathematical formula for rate-making based on return on common equity to determine rates that were equitable to the company and fair for the customers. This plan, known as rate stabilization and equalization (RSE), put rate-making by the Public Service Commission on a professional level and removed rates from the political arena. Adequate rates helped the company establish a stable financial footing.



THE JOSEPH M. FARLEY NUCLEAR PLANT WENT INTO SERVICE ON
DECEMBER 1, 1977.

RSE has served Alabama well, not just Alabama Power and its shareholders. Without shareholder investment of dollars, the company would not exist and could not operate. And since 1982 those investors have earned a fair return on their investment, ensuring capital for the growth of our company and state.

But this financial stability has served the people of Alabama, the customers of the company, even better. With a fair return to our shareholders, our rates are still among the lowest in America, at least 15 percent below the national average. And our customers regularly give us some of the highest scores in America for customer satisfaction and value of service.

The year after his speech to Newcomen in 1988, Farley left Alabama Power to head Southern Company's new Southern Nuclear Operating Company, which manages Georgia Power's two nuclear plants, Hatch and Vogtle, and Alabama Power's Farley Nuclear Plant. Farley led Alabama Power through some of its darkest, most difficult days.

It is truly a credit to his leadership that Alabama Power survived. Farley himself credited the culture established by his predecessors—a culture in which employees continue to work hard to serve Alabama no matter what the challenge, be it a takeover of the holding company, the loss of the company's most profitable division or a hostile political climate.

THE 1990s: THE ECONOMIC CHANGES

Our culture and our history shaped Alabama Power's response to two of the most pressing issues of the 1990s: economic development and environmental concerns.

In the 1990s, Alabama's economy was changing. Textile and steel mills were closing, and jobs were moving outside the United States. Employment in traditional manufacturing plants in Alabama was vanishing.

Throughout its history, Alabama Power has enjoyed a proven track record of bringing new business and industry to the state. The availability of affordable, reliable electricity brought manufacturing jobs to the state early in the century and attracted

military and defense-related facilities during both World Wars. After World War II, Alabama Power provided leadership in converting defense plants to peacetime use and helped revive the state economy by bringing the pulp and paper industry to Alabama.

There is an interesting twenty-four page document in our archives that details the new industries located in our company's service area between 1925 and 1952. These companies employed approximately 120,000 people, had an estimated payroll of \$185 million and represented investments in Alabama of more than \$600 million.

Compare that growth, over twenty-seven years, with what the automotive industry has brought to Alabama in just the last twelve years. While the automotive industry brought 44,834 jobs to Alabama, almost 80,000 additional jobs have been created as a result of businesses related to those automotive plants. The automotive industry has added more than \$2.2 billion of direct investment in Alabama, but an additional \$2.5 billion has been added as a result of indirect jobs.

It all started with one of Alabama Power's greatest achievements in the economic development arena, its involvement with the recruitment of the Mercedes-Benz automotive plant in 1993. Recruiting Mercedes was a team effort involving state government and private corporations, and Alabama Power was proud to be part of the team from the very beginning.

The recruiting process began when Alabama Power's senior international development representative read a small newspaper announcement in Europe that Mercedes-Benz was considering locating a plant in the United States. When he returned home, he sent a copy of the announcement to the Alabama Development Office, then directed by Billy Joe Camp in Governor Jim Folsom's administration. Once the governor gave the go-ahead, Camp began the recruitment effort and asked Alabama Power to be part of the team.

Elmer Harris, Alabama Power's president at the time, tapped Anthony Topazi, then vice president of Alabama Power's Western Division in Tuscaloosa, as the company's point person on the

ground. Topazi, who happened to be chairman of the Tuscaloosa County Industrial Development Authority, was told to use all of the company's resources and people in the recruiting effort. Behind the scenes, Harris supported the governor and Camp, and involved a number of Alabama Power's board members and the state's business and banking leadership.

At first there were difficulties getting the German manufacturers to take seriously an Alabama location. But in the fall of 1993, Mercedes chose Alabama, which made it easier to convince Honda and Hyundai later to locate in the state. The presence of these automakers has resulted in hundreds of automotive-related companies choosing Alabama for their facilities.

ENVIRONMENTAL CHALLENGES

In terms of change, the dramatic shifts in the Alabama economy in the 1990s were challenged only by the change in environmental standards and regulations. The 1990 amendments to the Clean Air Act have been described as "comprehensive, far-reaching and complicated." They were so broad and complicated that the Environmental Protection Agency had to write extensive regulations and interpretations and, even then, there was often confusion.

Alabama Power approached the new standards as it had throughout its history. We are committed to meeting or exceeding requirements, but we do not want to spend millions (or billions) of dollars on technology or equipment that is not based on sound science. In other words, we want to be reasonably confident that what we do will actually help solve the problem.

The 1990 Clean Air Act amendments required significant reductions of sulfur dioxide and nitrogen oxide, but it was unclear how they would be applied or how the courts would rule on lawsuits that were being filed regarding the amendments. Fortunately, the amendments were implemented in stages, which provided time to see how the rules would eventually be applied before major investments were made.

Our compliance strategy for Phase I was to switch to low-sulfur coal to reduce emissions of sulfur dioxide, build a bank of emission allowances and, when necessary, purchase emission allowances, which was permitted by the EPA. By 1992, the company had announced a strategic plan to meet or surpass all environmental laws and requirements and, at the same time, seek to ensure that those laws and requirements were based on sound science and cost-effective technology.

By 1995, Alabama Power had spent \$25 million on equipment to reduce emissions of nitrogen oxide. By 2000, we had spent \$63 million to meet the Phase II compliance standards.

As of 2005, we had reduced emission rates of nitrogen oxide by 57 percent and emission rates of sulfur dioxide by 41 percent—even though fossil generation increased 60 percent. That bears repeating: even though we increased generation from coal and natural gas by 60 percent, we reduced nitrogen oxide emission rates by 57 percent and sulfur dioxide emission rates by 41 percent.

Our customers tell us that they want us to reduce our impact on the environment. And we agree with them. After all, we live here, too. Our families breathe the same air and drink the same water. But striking the right balance in improving our environmental performance while meeting growing demands for power is a difficult—and expensive—challenge.

By 2010, we will have spent \$2 billion on environmental protection equipment, research and development. Recognizing those bills have to be paid, in 2004 the Alabama Public Service Commission approved a rate plan that allows us to recover our costs for these mandated environmental improvements, the investment all of us are making to protect and improve our environment, to meet growing energy demands and keep our rates as low as possible.

The '90s also found us dealing with confusion regarding enforcement of a component of the 1977 Clean Air Act called New Source Review. EPA had established New Source Review to ensure that, if existing generating plants expanded, they would have to meet new, updated emissions standards. For years, the

rules of New Source Review were interpreted consistently by Democrats and Republicans alike. But near the end of the Clinton Administration, that interpretation changed. Suddenly, the routine maintenance we had performed with EPA approval for years was interpreted as being a violation of New Source Review.

EPA sued us in 1999 and planned to enforce the new interpretation retroactively. In other words, they were going to fine us for doing things they had approved for twenty years. We did not think that was fair, and we fought them. In the end, the courts agreed with us on all but one count of the suit. The court told us to come to a settlement agreement on the final count, which we did earlier this year. Most important, we hope that we now have a clear interpretation of what is considered “routine maintenance.” That will allow us to better plan for the future



CHARLES MCCRARY UNVEILS THE \$60 MILLION SCR SYSTEM AT THE GORGAS ELECTRIC GENERATING PLANT ON JUNE 17, 2002.

and continue to meet both the increased demand for electricity and more stringent environmental requirements.

It is true that coal-fired plants produce more emissions than gas-fired, nuclear or renewable energy. But it is also a fact that, in 2006, Alabama Power cannot continue to provide the affordable, reliable electricity that fuels economic growth unless coal is part of the mix.

The people of Alabama need reliable electricity and every year they need more of it. At the same time, they need electricity they can afford. Finally, they want electricity that does not harm the environment. We have used a diversity of fuels to keep the lights on, the prices low and to minimize environmental impact.

Not every state has taken that prudent approach.

Think about California back in 2001. Because of environmental considerations, utilities in that state relied heavily on gas-fired and hydroelectric power. When gas prices spiked and there was a drought, the price of electricity skyrocketed.

At Alabama Power, we believe we have a responsibility to find the right balance that allows us to produce affordable, reliable electricity and protect our environment. Fuel diversity is the key to maintaining that balance and being able to successfully react to changing environmental standards and market conditions.

For example, environmental challenges are one of the main reasons Southern Company and Alabama Power have not built a new coal-fired unit in more than fifteen years. We built only gas-fired plants during that time because they have fewer emissions, and those kind of plants also did not require the expensive environmental controls a new coal-fired plant would. At the time, natural gas prices were low. Between 1999 and 2005 however, we saw a 161-percent increase in the price of natural gas. The price of electricity skyrocketed in areas that relied totally on gas-fired plants.

The price spike made headlines. What did not get as much publicity is the fact that there was a 162-percent increase in the price of coal during the same period, mainly due to China's

increased demand for coal. Even with that, coal has remained more cost-effective than gas.

And there are other compelling facts to consider. According to the Department of Energy (DOE), the United States has a 250-year supply of coal—right here in our own country. There is only about a 50-year supply of natural gas. And 95 percent of the world's known natural gas reserves are located outside the U.S.

Since coal obviously has to be part of the mix, we are devoting extraordinary resources—both financial and on the research side—to find ways to burn it more cleanly. Since 2002, Alabama Power has installed six Selective Catalytic Reduction (SCR) systems and related environmental equipment on our coal-fired power plants, at a cost of more than \$600 million. The SCRs operate like catalytic converters on a car, only they are huge—each one stands 12-14 stories tall, with a footprint of half a football field. At each generating unit where it is installed, an SCR reduces nitrogen oxide emissions by about 80 percent during summer ozone season.

By 2008, we will have the first of several “scrubbers” up and running at our coal-fired plants. The scrubbers are very large pieces of equipment—essentially a large chemical plant on the back end of a power plant—and are expected to reduce sulfur dioxide emissions by 95 percent on the units where they are installed. Also, the combination of SCRs and scrubbers is expected to reduce mercury emissions by 60-80 percent on units where both technologies are applied.

Alabama Power is also on the cutting edge of developing technologies that turn coal into electricity more cleanly and safely. In 1995, Southern Company opened the Power Systems Development Facility in Wilsonville, Alabama, to lead our efforts to develop cost-competitive, environmentally acceptable coal-based power plant technologies. The facility has been nationally recognized for its innovations in the testing of advanced coal-based electric power technologies, including gasification, combustion and syngas cleanup processes.

In fact, the Department of Energy has recognized our work by awarding Southern Company a \$200 million grant to build a



RENEW OUR RIVERS, STARTED BY ALABAMA POWER EMPLOYEE GENE PHIFER IN 1999 ON THE COOSA RIVER, IS THE SOUTHEAST'S LARGEST ORGANIZED RIVER-SYSTEM CLEANUP.

unique power plant that will be among the cleanest and most efficient in the world, while producing 20-25 percent less carbon dioxide than conventional coal-based plants. The plant should be operational by 2011.

Alabama Power generating plants have also been the sites of successful research and innovation. At Plant Gaston, we worked with the DOE to test new mercury-reduction technology. The results of that test were promising—mercury was removed at moderately high rates of 80-85 percent.

At Plant Gadsden, we joined with the Southern Research Institute, the DOE and the Electric Power Research Institute (EPRI) to determine if switchgrass can effectively be used to fuel a traditional coal-burning plant. Initial results—a 10 percent reduction in coal use and a corresponding decrease in sulfur emissions—are encouraging.

In addition to biomass such as switchgrass, we are studying other types of renewable energy. Right now, renewable energy makes up about 9 percent of America's electricity generation—and 7 percent of that is hydro. We are working toward increasing that percentage. Southern Company is in partnership with Georgia Tech to explore building wind turbines off the Georgia coast. If the project is successful, it could generate enough electricity to power 2,500 homes. That is not a lot, but it could lead to broader applications down the road. We are also exploring solar energy. It is emission free, but at this time it can cost between three and ten times the cost of energy produced from conventional sources. Producing solar power also requires a large area of land for solar panels and, of course, the sun has to be out. As is the case with all fuel options, there are downsides to solar and wind power. But as technology advances, we are hopeful for more viable options.

Environmental considerations are also one of the reasons Southern Company is considering expanding its nuclear fleet. Nuclear power has no emissions. According to a New York Times article, some of the top environmental experts—once among the most vocal opponents of nuclear energy—are in favor of at least exploring nuclear power options.

We are proud of our environmental record and every day almost one hundred specially trained, dedicated Alabama Power employees work on nothing except environmental issues to ensure that we continue to lessen our impact. But one of our most inspiring and successful environmental efforts can be traced back to a single person.

One day in 1999, an employee at Gadsden Steam Plant got tired of seeing trash along the banks of the Coosa River outside the plant, and he spent his lunch hour picking it up. Before long, Gene Phifer had convinced some of his co-workers to help him. Soon, community groups from across the state had joined in and the project had a name—Renew the Coosa. Today, this grassroots effort has spread to other rivers across Alabama and the Southeast. Now called “Renew Our Rivers,” it has been recognized nationally by Keep America Beautiful. Even more notably, “Renew Our

Rivers” has resulted in more than seven million pounds of trash and debris being removed from our waterways.

As we begin our second century, Alabama Power continues to encounter new and uncertain environmental challenges and must face issues such as climate change. The regulations and requirements will no doubt change in years to come, but our philosophy will remain the same: We will base our policies on sound science and continue to strike the balance that allows us to meet or surpass environmental standards while providing our customers with affordable, reliable electricity.

COMPETITION AND DEREGULATION

Perhaps our greatest challenge of the '90s involved what appeared to be imminent deregulation and increased competition in the electric-utility industry. Deregulation began in other industries in the 1980s, including the airlines and the telecommunications business, with mixed results. We had already seen a form of competition in the electric-utility industry when the Public Utility Regulatory Policies Act (PURPA) was passed in 1978. PURPA was enacted during the energy crisis when the price of oil was skyrocketing. It was designed to lower the country's dependence on foreign oil and encourage the use of alternative energies such as wind and solar power.

Before PURPA, only utilities could own and operate generating plants. PURPA allowed independent, unregulated companies to build and operate generating plants. In some cases, utilities were required to buy power from these independent companies if they produced cheaper or more environmentally-friendly power. The Energy Policy and Conservation Act of 1992 went a step further, officially recognizing independent power providers and exempting them from the Public Utility Holding Company Act of 1935. It also required utilities to open their transmission lines to independent power producers, making it much easier for new generation companies to compete and reach the large wholesale customers of regulated utilities. This meant that unregulated independent power producers could sell electricity to any

wholesale customer in the U.S. The federal government left future deregulation for retail customers up to the individual states.

Alabama Power was not overly concerned with retail deregulation coming to Alabama. The stated purpose of deregulation was to equalize electricity prices across the county. Since our prices were already well below the national average, equalization would have caused electricity rates to go up in Alabama. Needless to say, there was no public outcry for deregulation in Alabama, as there was in states with higher electricity prices.

But we were concerned that our large customers would leave Alabama Power. For years we had been required by the Public Service Commission to build enough generating plants to meet the current and future needs of all of our customers. If our largest customers suddenly decided to buy from other generators, the plants we had built to meet their demand could sit idle and empty. We would incur what are referred to as “stranded costs.”

We felt it was vital that any transition to competitive markets should ensure that our past regulatory commitments were honored by providing for recovery of legitimate stranded costs and therefore ensure fair treatment for all of our customers and investors. Although competition might be good for large industrial customers, we feared it would ultimately hurt our smaller business and residential customers if not handled properly.

History has taught us that when others are making the rules we have to operate under, we need to be aggressive in making sure our side of the issue is heard.

That is why in 1996, Elmer Harris began lobbying for passage of a state law to protect the company and its customers from wholesalers “cherry picking” large industrial customers, which would increase the cost of electricity to residential customers. The municipal systems, the Alabama Electric Cooperative, the Alabama Rural Electric Association and TVA all joined us in support of such a law. On May 6, 1996, Governor Fob James signed the Alabama Electric Consumers Act, directing the Public Service Commission and the circuit courts to review

wholesale contracts to determine if they are in the public's best interest.

Ultimately, the PSC decided that retail competition was not in the best interest of Alabamians. Again, deregulation was designed to get equalized electricity prices across the country, and our prices were well below the national average. But until then, we had to operate and prepare as if deregulation and competition were coming. In anticipation of deregulation, Southern Company organized its fossil and hydro generation into one group, later named Southern Company Generation.

I had the privilege of leading Southern Company Generation, but I must tell you there were some challenging early days, and the threat of deregulation made it only more difficult. We were dealing with hard-working men and women, many of whom had spent their entire careers working at the same generating plant. They were hearing every day that deregulation was coming and it would jeopardize their jobs.

The “experts” at the time were all saying that vertically integrated utilities—traditional utilities that provided generation, transmission and distribution—were dinosaurs. The popular notion was the utilities needed to divest their investments in generation plants. These “experts”—some of whom are now facing time in prison—wanted us to believe that the most efficient way to operate was to breakup traditional utilities and that only “real” profits came from trading, not from generating. They wanted Wall Street to believe that companies like Enron were the future. Wall Street and American investors caught on and Enron went bankrupt, and some of its executives faced incarceration.

Alabama Power and Southern Company never wavered from continuing to do business as a vertically integrated business. But because the Energy Policy Act of 1992 allowed investor-owned holding company systems to operate totally unregulated subsidiaries, Southern Company did start Southern Energy International (SEI), an unregulated, competitive global energy company. The company focused mainly on energy marketing and risk management.

Despite the addition of that energy-trading arm, Wall Street continued to think of Southern Company and Alabama Power as dull and stodgy. At that time, we did not see the rise in our stock price that energy marketers like Enron enjoyed. Because the new business was not generating any value for our stockholders, Southern Company decided to spin off SEI in April 2001, as an independent company with no ties to Southern Company.

Enron's implosion in 2001 among charges of accounting fraud is credited with bringing electric deregulation to a grinding halt. Interestingly, according to a story about electricity prices in the Washington Post this spring, rate increases have been higher in states that deregulated than in those that remained regulated. Enron's demise also ushered in a wave of new corporate accounting and compliance standards.

CORPORATE COMPLIANCE AND RESPONSIBILITY – ETHICS

While the Enron story was unfolding, and all the stories emerged of how records were manipulated to make it appear as though Enron was making money instead of losing it, I was reminded of a story about one of Alabama Power's founders, Tom Martin.

In the early days of the company, Alabama Power was spending millions of dollars building generating plants and transmission lines. There was no hiding it—we were not making any money, we were just trying to keep our heads above water. And so when one of our land agents came to Martin, very excited, because he was going to be able to buy some land the company needed for only \$5 an acre, you would think Martin would be thrilled.

But instead, he asked the agent how much the land was really worth. When he was told it was actually worth \$25 an acre, Martin said, "Then pay \$25 an acre but not a penny more. We must be fair with others if we expect them to be fair with us."

That is the difference between Alabama Power and the companies that have been involved in financial scandals in recent years. Alabama Power was built on a foundation of ethics and fairness. We have a culture of character. And it concerns me

today when so many people paint every large corporation with the same brush.

There is a climate of mistrust in America today toward large corporations. Corporate ethics, compliance and responsibility have been among the major issues facing the utility industry since I became CEO of Alabama Power in 2001. That became clear to me when many of the same people who congratulated me on becoming CEO also noted that, in the wake of the Enron, WorldCom and Tyco scandals, CEOs were generally regarded as having the credibility of street corner hustlers.

In today's corporate world, it is not enough to simply tell the truth and follow the rules. You have to be able to document that you are telling the truth and following the rules—and that you have policies and controls in place to ensure honesty and integrity. We have had those guidelines in place for one hundred years at Alabama Power. We just observed the actions of William Patrick Lay, James Mitchell and Tom Martin.

The Sarbanes-Oxley Act of 2002 was passed by Congress in response to corporate accounting scandals, and it established new guidelines and requirements. Since Sarbanes-Oxley was enacted, Alabama Power has had to hire additional employees and has experienced a significant increase in expenses to meet the requirements. Because of the corruption, changes were needed to ensure more transparency and compliance with law. But Alabama Power has always fully complied with or surpassed all requirements governing financial reporting, and in the long run, upholding our reputation as a company based on honesty and integrity is worth any additional requirements these new policies have brought.

SECURITY AND 9-11

Enron certainly had a negative impact on the electric-utility industry and the national economy. But nothing has changed our world more than the events of September 11, 2001. Like everyone in our country, Alabama Power's employees were stunned and shaken that morning. But by that afternoon, they were organizing

blood drives and finding other ways to help our fellow Americans in New York and Washington, D.C.

I know most of our employees probably wanted to go home that day and be with their families and loved ones. But they stayed, I believe, because, like the Alabama Power employees who came before them, they realized electricity is essential to our country's economy and way of life.

We immediately took steps to increase security at our facilities across the state. We have worked with the Department of Homeland Security and local and state law enforcement to ensure that we are protecting vital infrastructure. Since 9-11, Alabama Power has spent an additional \$7 million upgrading and enhancing security.

If we ever doubted the worthiness of that investment, those doubts were laid to rest during the Northeast Blackout of August 2003.



CREWS USED GARRETT COLISEUM IN MONTGOMERY AS A STAGING AREA DURING HURRICANE DENNIS IN 2005. COURTESY OF BARRY CHRIETZBERG.

Although terrorism was not involved, the blackout made it clear the negative impact a widespread, prolonged outage would have. More than fifty million people in the Northeast were without power, making it the largest outage in American history. There was an estimated \$6 billion in financial losses as a result of the blackout.

And it was not just the lights that went out. Water and sewage pumps did not work, creating inconvenience at best and public health hazards at worst. Transportation was impacted—airports could not operate, gas pumps did not work, and oil refineries had to shut down. Communication was also disrupted. Cell phone service was overloaded and people were not able to access the Internet. It was evident that the loss of electricity was not only an inconvenience; it was a national security issue. The Energy Policy Act of 2005 made electric reliability rules mandatory instead of voluntary. The good news is that Alabama Power and Southern Company were following the rules when they were voluntary, and we have a very reliable system. In fact, Alabama Power enjoys a 99.9 percent reliability rate.

NATURAL DISASTERS

As reliable as our system is, it is not immune to Mother Nature. Unfortunately, no engineer has designed a system that can withstand the full fury of hurricane force winds, and Alabama Power has experienced its share. Alabama Power recently endured the two worst storms in its history within a 13-month period—Hurricane Ivan in September 2004, and Hurricane Katrina in August 2005.

Ivan was the worst storm in our history in terms of outages, leaving more than 825,000 customers without power. We were able to restore service within eight days. While Katrina spared Alabama in comparison to what Mississippi and Louisiana experienced, it caused more damage to our system than Ivan and left almost 634,000 customers in the dark.

Yet, thanks to an enormous effort, service was restored in nine days. When you are the person without power for eight or nine

days, it seems like forever. But that response was considered phenomenal and earned Alabama Power unprecedented national recognition and praise from our customers.

We periodically survey our customers to see how we are doing in terms of customer service and customer satisfaction. An independent firm conducts these surveys, and they are scheduled months in advance. There happened to be a survey out when Ivan hit. And even though 60 percent of our customers had no power when the survey was out, our customer satisfaction rates actually went up.

That was also the case following Hurricane Frederic in 1979, when Alabama Power was struggling to avoid bankruptcy and had little public support. The company's response to Hurricane Frederic began to turn public opinion back in the company's favor after years of hostility. Power was out for three weeks in some areas of the state following Frederic, but our customers appreciated the hard work, commitment and dedication of Alabama Power employees during those trying times.

One of the worst things an electric-utility company can face is a natural disaster like a hurricane, ice storm or blizzard. And yet these crises have always tended to bring out the best in Alabama Power employees.

We have a detailed storm plan that we refine continuously. When there is a major storm, every employee at Alabama Power has a role in the restoration effort. Ironically, repairing the damage is often the easiest part. Finding beds for 2,000 to 3,000 workers and feeding them in areas still devastated and without electricity is the real challenge.

We are fortunate to have what is called a "mutual assistance" agreement within the utility industry. If we have a major storm, we can call in other utilities from around the country to help us, and we assist them when they need help. The company that gets the assistance pays the companies that provide it. When we need help, we pay the costs of the companies that come to our rescue. When we go to other states to help in emergencies, their local companies pay our costs.

One of our most interesting calls for assistance came in September 1989 after Hurricane Hugo blew through the U.S. Virgin Islands. In order to help, we had to load all our equipment on U.S. Air Force C-5 cargo planes and fly it to the Caribbean. We determined that it was more cost-efficient to make this a one-way trip for the equipment, so we sent good, serviceable bucket trucks that were scheduled for replacement in a few months. Our employees spent a month restoring electric service in St. Croix—and some Alabama Power bucket trucks may still be in use there.

Although we are in the “sunny South,” we have had our share of winter storms, too. The Blizzard of 1993 was the worst winter storm in Alabama Power history, leaving more than 404,000 customers without service. Many of you may remember the Ice Storms of 1982 and 1983, but it is an ice storm that hit northern Alabama on March 2, 1960 that is particularly memorable at Alabama Power.

That storm knocked out miles of power lines, including the main TVA 110,000-volt transmission line that served Bessemer. Bessemer had elected to go with TVA as its supplier when the city formed its own municipal power system back in the 1930s. The transmission line was down in so many places, it was impossible for TVA to repair it quickly. And it was twenty-eight degrees outside. The mayor of Bessemer, Jess Lanier, called Alabama Power President Walter Bouldin and said his citizens were freezing and needed electricity . . . could Alabama Power please help?

Bouldin got on the phone and within eight hours the city of Bessemer was hooked—quite illegally—into the Alabama Power system. You are supposed to get federal and state regulatory approval to connect a new wholesale customer, but Bessemer stayed on our system for five days and no regulatory agency ever said a word about it. The next time Bessemer’s wholesale contract with TVA came up for renewal, Bessemer renewed the contract with TVA, and continues to be served by TVA to this day.

I like to share that story because it captures the essence of Alabama Power. We are here to run a successful business to be

sure, but we are also here to fulfill William Patrick Lay's vision—to be of service to Alabama.

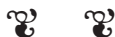
FACING THE SECOND CENTURY

Tom Martin once said that every year Alabama Power faced a disaster of one kind or another. When I faced the board of directors as company president for the first time back in 2001—during one of the company's most challenging financial years in decades—I was not looking forward to it. But I knew that we would manage our way out of it—and we did—and I knew that we would be a stronger company because of it. That is our history. That is our culture. It is the reason Alabama Power is still here one hundred years later. It is also our future.

In his 1950 Nobel Prize acceptance speech, the great Southern writer William Faulkner said, "I believe that man will not merely endure; he will prevail."

For one hundred years, Alabama Power—like our state—has, in the face of daunting challenges, not merely endured, but prevailed. We have not given up, but have continued to serve. We have not given in, but have kept fighting for what we believed. We have not been content to follow, but have tried to step forward and lead. We will continue that service and that leadership.

That is why we enter our second century of service with confidence that we can continue to uphold the good name and destiny of Alabama Power and ensure that it continues to be "developed for the service of Alabama."





“Were American Newcomen to do naught else, our work is well done if we succeed in sharing with America a strengthened inspiration to continue the struggle towards a nobler Civilization—through wider knowledge and understanding of the hopes, ambitions, and deeds of leaders in the past who have upheld Civilization’s material progress. As we look backward, let us look forward.”

— CHARLES PENROSE
(1886-1958)
*Senior Vice-President for North America
The Newcomen Society
for the study of the history of
Engineering and Technology
(1923-1957)
Chairman for North America
(1958)*



This statement, crystallizing a broad purpose of the Society, was first read at the Newcomen Meeting at New York World’s Fair on August 5, 1939, when American Newcomen were guests of the British Government.

“Actorum Memores simul affectamus Agenda”

“For one hundred years, Alabama Power—like our state—has, in the face of daunting challenges, not merely endured, but prevailed. We have not given up, but have continued to serve. We have not given in, but have kept fighting for what we believed. We have not been content to follow, but have tried to step forward and lead. We will continue that service and that leadership.”

— CHARLES D. MCCRARY



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